

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1124

(SENATE AUTHORS: STUMPF)

DATE	D-PG	OFFICIAL STATUS
02/26/2015	434	Introduction and first reading Referred to Finance

1.1 A bill for an act
 1.2 relating to education; providing for teacher development and evaluation
 1.3 revenue and equalized levy; appropriating money; amending Minnesota
 1.4 Statutes 2014, sections 122A.40, subdivisions 5, 8; 122A.41, subdivisions 2, 5;
 1.5 proposing coding for new law in Minnesota Statutes, chapter 122A; repealing
 1.6 Minnesota Statutes 2014, sections 122A.413; 122A.414; 122A.4144; 122A.415,
 1.7 subdivisions 1, 3, 4, 5, 6; 122A.4155; 122A.416.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2014, section 122A.40, subdivision 5, is amended to read:

1.10 Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's
 1.11 first teaching experience in Minnesota in a single district is deemed to be a probationary
 1.12 period of employment, and, the probationary period in each district in which the teacher is
 1.13 thereafter employed shall be one year. The school board must adopt a plan for written
 1.14 ~~evaluation~~ formative evaluations of and feedback on teachers during the probationary
 1.15 period that is consistent with subdivision 8. Evaluation must occur at least three times
 1.16 periodically throughout each school year for a teacher performing services during
 1.17 that school year; the first evaluation must occur within the first 90 days of teaching
 1.18 service. Days devoted to parent-teacher conferences, teachers' workshops, and other
 1.19 staff development opportunities and days on which a teacher is absent from school must
 1.20 not be included in determining the number of school days on which a teacher performs
 1.21 services. The adopted plan must include a summative evaluation at the end of each of the
 1.22 three years of the probationary period of employment. Except as otherwise provided in
 1.23 paragraph (b), during the probationary period any annual contract with any teacher may
 1.24 or may not be renewed as the school board shall see fit. However, the board must give
 1.25 any such teacher whose contract it declines to renew for the following school year written

2.1 notice to that effect before July 1. If the teacher requests reasons for any nonrenewal
2.2 of a teaching contract, the board must give the teacher its reason in writing, including
2.3 a statement that appropriate supervision was furnished describing the nature and the
2.4 extent of such supervision furnished the teacher during the employment by the board,
2.5 within ten days after receiving such request. The school board may, after a hearing held
2.6 upon due notice, discharge a teacher during the probationary period for cause, effective
2.7 immediately, under section 122A.44.

2.8 (b) A board must discharge a probationary teacher, effective immediately, upon
2.9 receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's
2.10 license has been revoked due to a conviction for child abuse or sexual abuse.

2.11 (c) A probationary teacher whose first three years of consecutive employment are
2.12 interrupted for active military service and who promptly resumes teaching consistent with
2.13 federal reemployment timelines for uniformed service personnel under United States
2.14 Code, title 38, section 4312(e), is considered to have a consecutive teaching experience
2.15 for purposes of paragraph (a).

2.16 (d) A probationary teacher whose first three years of consecutive employment are
2.17 interrupted for maternity, paternity, or medical leave and who resumes teaching within 12
2.18 months of when the leave began is considered to have a consecutive teaching experience
2.19 for purposes of paragraph (a) if the probationary teacher completes a combined total of
2.20 three years of teaching service immediately before and after the leave.

2.21 (e) A probationary teacher must complete at least 120 days of teaching service each
2.22 year during the probationary period. Days devoted to parent-teacher conferences, teachers'
2.23 workshops, and other staff development opportunities and days on which a teacher is
2.24 absent from school do not count as days of teaching service under this paragraph.

2.25 Sec. 2. Minnesota Statutes 2014, section 122A.40, subdivision 8, is amended to read:

2.26 Subd. 8. **Development, evaluation, and peer coaching for continuing contract**
2.27 **teachers.** (a) To improve student learning and success, a school board and an exclusive
2.28 representative of the teachers in the district, consistent with paragraph (b), may develop
2.29 a teacher evaluation and peer review process for probationary and continuing contract
2.30 teachers through joint agreement. If a school board and the exclusive representative
2.31 of the teachers do not agree to an annual teacher evaluation and peer review process,
2.32 then the school board and the exclusive representative of the teachers must implement
2.33 the state teacher evaluation plan under paragraph (c). The process must include having
2.34 trained observers serve as peer coaches or having teachers participate in professional

3.1 learning communities, consistent with paragraph (b). For the purposes of this subdivision,
3.2 "teacher" has the meaning given in section 122A.06, subdivision 2.

3.3 (b) To develop, improve, and support qualified teachers and effective teaching
3.4 practices and improve student learning and success, the annual evaluation process for
3.5 teachers:

3.6 (1) must, for probationary teachers, provide for all evaluations required under
3.7 subdivision 5;

3.8 (2) must establish a three-year professional review cycle for each teacher that
3.9 includes an individual growth and development plan, a peer review process, and at least
3.10 one summative evaluation performed by a qualified and trained evaluator such as a school
3.11 administrator. For the years when a tenured teacher is not evaluated by a qualified and
3.12 trained evaluator, the teacher must be evaluated by a peer review. A probationary teacher
3.13 enters the three-year professional review cycle at the beginning of the fourth year of
3.14 employment in the district;

3.15 (3) must be based on professional teaching standards established in rule;

3.16 (4) must coordinate staff development activities under sections 122A.60 and
3.17 122A.61 with this evaluation process and teachers' evaluation outcomes;

3.18 (5) may provide time during the school day and school year for peer coaching and
3.19 teacher collaboration;

3.20 (6) may include job-embedded learning opportunities such as professional learning
3.21 communities;

3.22 (7) may include mentoring and induction programs;

3.23 (8) must include an option for teachers to develop and present a portfolio
3.24 demonstrating evidence of reflection and professional growth, consistent with section
3.25 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment
3.26 based on student work samples and examples of teachers' work, which may include video
3.27 among other activities for the summative evaluation;

3.28 (9) must use data from valid and reliable assessments aligned to state and local
3.29 academic standards and must use state and local measures of student growth and literacy
3.30 that may include value-added models or student learning goals to determine 35 percent of
3.31 teacher evaluation results;

3.32 (10) must use longitudinal data on student engagement and connection, and other
3.33 student outcome measures explicitly aligned with the elements of curriculum for which
3.34 teachers are responsible, including academic literacy, oral academic language, and
3.35 achievement of content areas of English learners;

4.1 (11) must require qualified and trained evaluators such as school administrators to
 4.2 perform summative evaluations and ensure school districts and charter schools provide for
 4.3 effective evaluator training specific to teacher development and evaluation;

4.4 (12) must give teachers not meeting professional teaching standards under clauses
 4.5 (3) through (11) support to improve through a teacher improvement process that includes
 4.6 established goals and timelines; and

4.7 (13) must discipline a teacher for not making adequate progress in the teacher
 4.8 improvement process under clause (12) that may include a last chance warning,
 4.9 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or
 4.10 other discipline a school administrator determines is appropriate.

4.11 Data on individual teachers generated under this subdivision are personnel data
 4.12 under section 13.43. The observation and interview notes of peer coaches may only be
 4.13 disclosed to other school officials with the consent of the teacher being coached.

4.14 (c) The department, in consultation with parents who may represent parent
 4.15 organizations and teacher and administrator representatives appointed by their respective
 4.16 organizations, representing the Board of Teaching, the Minnesota Association of School
 4.17 Administrators, the Minnesota School Boards Association, the Minnesota Elementary
 4.18 and Secondary Principals Associations, Education Minnesota, and representatives of
 4.19 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota
 4.20 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise
 4.21 in teacher evaluation, must create and publish a teacher evaluation process that complies
 4.22 with the requirements in paragraph (b) and applies to all teachers under this section and
 4.23 section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher
 4.24 evaluation and peer review process. The teacher evaluation process created under this
 4.25 subdivision does not create additional due process rights for probationary teachers under
 4.26 subdivision 5.

4.27 Sec. 3. Minnesota Statutes 2014, section 122A.41, subdivision 2, is amended to read:

4.28 Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in
 4.29 the public schools in cities of the first class during the first three years of consecutive
 4.30 employment shall be deemed to be in a probationary period of employment during which
 4.31 period any annual contract with any teacher may, or may not, be renewed as the school
 4.32 board, after consulting with the peer review committee charged with evaluating the
 4.33 probationary teachers under subdivision 3, shall see fit. The school site management
 4.34 team or the school board if there is no school site management team, shall adopt a plan
 4.35 for a written ~~evaluation~~ formative evaluations of and feedback on teachers during the

5.1 probationary period according to subdivisions 3 and 5. Evaluation by the peer review
5.2 committee charged with evaluating probationary teachers under subdivision 3 shall occur
5.3 at least three times periodically throughout each school year for a teacher performing
5.4 services during that school year; the first evaluation must occur within the first 90 days of
5.5 teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and
5.6 other staff development opportunities and days on which a teacher is absent from school
5.7 shall not be included in determining the number of school days on which a teacher performs
5.8 services. The adopted plan must include a summative evaluation at the end of each of the
5.9 three years of the probationary period of employment. The school board may, during such
5.10 probationary period, discharge or demote a teacher for any of the causes as specified in
5.11 this code. A written statement of the cause of such discharge or demotion shall be given to
5.12 the teacher by the school board at least 30 days before such removal or demotion shall
5.13 become effective, and the teacher so notified shall have no right of appeal therefrom.

5.14 (b) A probationary teacher whose first three years of consecutive employment are
5.15 interrupted for active military service and who promptly resumes teaching consistent with
5.16 federal reemployment timelines for uniformed service personnel under United States
5.17 Code, title 38, section 4312(e), is considered to have a consecutive teaching experience
5.18 for purposes of paragraph (a).

5.19 (c) A probationary teacher whose first three years of consecutive employment are
5.20 interrupted for maternity, paternity, or medical leave and who resumes teaching within 12
5.21 months of when the leave began is considered to have a consecutive teaching experience
5.22 for purposes of paragraph (a) if the probationary teacher completes a combined total of
5.23 three years of teaching service immediately before and after the leave.

5.24 (d) A probationary teacher must complete at least 120 days of teaching service each
5.25 year during the probationary period. Days devoted to parent-teacher conferences, teachers'
5.26 workshops, and other staff development opportunities and days on which a teacher is
5.27 absent from school do not count as days of teaching service under this paragraph.

5.28 Sec. 4. Minnesota Statutes 2014, section 122A.41, subdivision 5, is amended to read:

5.29 Subd. 5. **Development, evaluation, and peer coaching for continuing contract**
5.30 **teachers.** (a) To improve student learning and success, a school board and an exclusive
5.31 representative of the teachers in the district, consistent with paragraph (b), may develop an
5.32 annual teacher evaluation and peer review process for probationary and nonprobationary
5.33 teachers through joint agreement. If a school board and the exclusive representative of
5.34 the teachers in the district do not agree to an annual teacher evaluation and peer review
5.35 process, then the school board and the exclusive representative of the teachers must

6.1 implement the state teacher evaluation plan developed under paragraph (c). The process
6.2 must include having trained observers serve as peer coaches or having teachers participate
6.3 in professional learning communities, consistent with paragraph (b). For the purposes of
6.4 this subdivision, "teacher" has the meaning given in section 122A.06, subdivision 2.

6.5 (b) To develop, improve, and support qualified teachers and effective teaching
6.6 practices and improve student learning and success, the annual evaluation process for
6.7 teachers:

6.8 (1) must, for probationary teachers, provide for all evaluations required under
6.9 subdivision 2;

6.10 (2) must establish a three-year professional review cycle for each teacher that
6.11 includes an individual growth and development plan, a peer review process, and at least
6.12 one summative evaluation performed by a qualified and trained evaluator such as a school
6.13 administrator. A probationary teacher enters the three-year professional review cycle at
6.14 the beginning of the fourth year of employment in the district;

6.15 (3) must be based on professional teaching standards established in rule;

6.16 (4) must coordinate staff development activities under sections 122A.60 and
6.17 122A.61 with this evaluation process and teachers' evaluation outcomes;

6.18 (5) may provide time during the school day and school year for peer coaching and
6.19 teacher collaboration;

6.20 (6) may include job-embedded learning opportunities such as professional learning
6.21 communities;

6.22 (7) may include mentoring and induction programs;

6.23 (8) must include an option for teachers to develop and present a portfolio
6.24 demonstrating evidence of reflection and professional growth, consistent with section
6.25 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment
6.26 based on student work samples and examples of teachers' work, which may include video
6.27 among other activities for the summative evaluation;

6.28 (9) must use data from valid and reliable assessments aligned to state and local
6.29 academic standards and must use state and local measures of student growth and literacy
6.30 that may include value-added models or student learning goals to determine 35 percent of
6.31 teacher evaluation results;

6.32 (10) must use longitudinal data on student engagement and connection and other
6.33 student outcome measures explicitly aligned with the elements of curriculum for which
6.34 teachers are responsible, including academic literacy, oral academic language, and
6.35 achievement of English learners;

7.1 (11) must require qualified and trained evaluators such as school administrators to
 7.2 perform summative evaluations and ensure school districts and charter schools provide for
 7.3 effective evaluator training specific to teacher development and evaluation;

7.4 (12) must give teachers not meeting professional teaching standards under clauses
 7.5 (3) through (11) support to improve through a teacher improvement process that includes
 7.6 established goals and timelines; and

7.7 (13) must discipline a teacher for not making adequate progress in the teacher
 7.8 improvement process under clause (12) that may include a last chance warning,
 7.9 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or
 7.10 other discipline a school administrator determines is appropriate.

7.11 Data on individual teachers generated under this subdivision are personnel data
 7.12 under section 13.43. The observation and interview notes of peer coaches may only be
 7.13 disclosed to other school officials with the consent of the teacher being coached.

7.14 (c) The department, in consultation with parents who may represent parent
 7.15 organizations and teacher and administrator representatives appointed by their respective
 7.16 organizations, representing the Board of Teaching, the Minnesota Association of School
 7.17 Administrators, the Minnesota School Boards Association, the Minnesota Elementary
 7.18 and Secondary Principals Associations, Education Minnesota, and representatives of
 7.19 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota
 7.20 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise
 7.21 in teacher evaluation, must create and publish a teacher evaluation process that complies
 7.22 with the requirements in paragraph (b) and applies to all teachers under this section and
 7.23 section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher
 7.24 evaluation and peer review process. The teacher evaluation process created under this
 7.25 subdivision does not create additional due process rights for probationary teachers under
 7.26 subdivision 2.

7.27 **Sec. 5. [122A.411] TEACHER DEVELOPMENT AND EVALUATION**
 7.28 **REVENUE.**

7.29 **Subdivision 1. Basic teacher development and evaluation aid.** (a) The basic
 7.30 teacher development and evaluation allowance for a school district or site that received
 7.31 revenue under Minnesota Statutes 2014, section 122A.415, in fiscal year 2015 equals
 7.32 \$169. The basic teacher development and evaluation allowance for a school district or
 7.33 site that did not receive revenue under Minnesota Statutes 2014, section 122A.415,
 7.34 in fiscal year 2015 equals \$50.

8.1 (b) A school district, intermediate school district, school site, or charter school is
8.2 eligible for basic teacher development and evaluation aid. Basic teacher development
8.3 and evaluation aid for a school district or site equals the basic teacher development and
8.4 evaluation allowance times the number of pupils enrolled at the district or site on October
8.5 1 of the previous fiscal year.

8.6 (c) For a newly combined or consolidated district, the aid shall be computed using
8.7 the sum of pupils enrolled on October 1 of the previous year in the districts entering
8.8 into the combination or consolidation. The commissioner may adjust the aid computed
8.9 for a site using prior year data to reflect changes attributable to school closings, school
8.10 openings, or grade level reconfigurations between the prior year and the current year.

8.11 (d) Aid under this subdivision must be reserved for activities under section 122A.40,
8.12 subdivision 8, or 122A.41, subdivision 10.

8.13 **Subd. 2. Supplemental teacher development and evaluation revenue eligibility;**
8.14 **amount.** (a) A school district, intermediate school district, school site, or charter school
8.15 that received revenue under Minnesota Statutes 2014, section 122A.415, in fiscal year
8.16 2015 is eligible for supplemental teacher development and evaluation revenue if the
8.17 agreed upon teacher development, evaluation, and peer review process under section
8.18 122A.40, subdivision 8, or 122A.41, subdivision 10, contains at least two of the following
8.19 components:

8.20 (1) teacher leadership positions, such as mentor, peer coach, instructional coach,
8.21 peer review, peer observer, professional learning community facilitator, or team leader;

8.22 (2) new teacher mentoring and induction support;

8.23 (3) additional job-embedded professional development;

8.24 (4) performance incentives at the school or individual teacher level based on student
8.25 outcomes or teacher performance or both; or

8.26 (5) reform of the salary schedule based on evaluation results.

8.27 (b) Supplemental teacher development and evaluation revenue equals \$91 times the
8.28 number of pupils enrolled at the district or site on October 1 of the previous fiscal year, or
8.29 on October 1 of the current year for a charter school in the first year of operation.

8.30 **Subd. 3. Supplemental teacher development and evaluation levy.** The teacher
8.31 development and evaluation levy for a school district eligible for supplemental teacher
8.32 development and evaluation revenue under subdivision 2 equals its supplemental teacher
8.33 development and evaluation revenue times the lesser of: (1) one; or (2) the ratio of its
8.34 adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is
8.35 certified to \$6,100.

9.1 Subd. 4. **Supplemental teacher development and evaluation aid.** (a)
 9.2 Supplemental teacher development and evaluation aid for a school district equals the
 9.3 difference between its supplemental teacher development and evaluation revenue and its
 9.4 supplemental teacher development and evaluation levy. If a district does not levy the
 9.5 entire amount permitted under subdivision 3, the aid under this paragraph must be reduced
 9.6 in proportion to the actual amount levied.

9.7 (b) Supplemental teacher development and evaluation aid for an intermediate school
 9.8 district or charter school equals its supplemental teacher development and evaluation
 9.9 revenue, times the ratio of (1) the sum of the supplemental teacher development and
 9.10 evaluation aid and supplemental teacher development and evaluation levy for all
 9.11 participating school districts to (2) the maximum supplemental teacher development and
 9.12 evaluation revenue for those districts under subdivision 2.

9.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
 9.14 and later.

9.15 Sec. 6. **[122A.412] TEACHER DEVELOPMENT AND EVALUATION;**
 9.16 **TECHNICAL ASSISTANCE.**

9.17 A school district, intermediate school district, school site, or charter school may
 9.18 request that the department provide it with technical assistance related to its agreed
 9.19 upon teacher evaluation and peer review process. Technical assistance includes, but is
 9.20 not limited to:

9.21 (1) support and training for evaluators;

9.22 (2) creating materials that allow districts or schools to perform self-review and
 9.23 engage in continuous improvement;

9.24 (3) creating materials that help districts or schools align their locally developed
 9.25 process with other plans such as world's best workforce plans under section 120B.11, and
 9.26 staff development plans under section 122A.60; and

9.27 (4) support for districts and charter schools in reporting on their local use of state
 9.28 funding for teacher development and evaluation.

9.29 Sec. 7. **APPROPRIATION.**

9.30 Subdivision 1. **Department of Education.** The sums indicated in this section are
 9.31 appropriated from the general fund to the Department of Education for the fiscal years
 9.32 designated.

10.1 Subd. 2. **Basic teacher development and evaluation aid.** For basic teacher
 10.2 development and evaluation aid under Minnesota Statutes, section 122A.411, subdivision 1:

10.3 \$ 2016

10.4 \$ 2017

10.5 Subd. 3. **Supplemental teacher development and evaluation aid.** For
 10.6 supplemental teacher development and evaluation aid under Minnesota Statutes, section
 10.7 122A.411, subdivision 4:

10.8 \$ 2016

10.9 \$ 2017

10.10 **Sec. 8. REPEALER.**

10.11 Minnesota Statutes 2014, sections 122A.413; 122A.414; 122A.4144; 122A.415,
 10.12 subdivisions 1, 3, 4, 5, and 6; 122A.4155; and 122A.416, are repealed effective July
 10.13 1, 2015.

122A.413 EDUCATIONAL IMPROVEMENT PLAN.

Subdivision 1. **Qualifying plan.** A district or intermediate school district may develop an educational improvement plan for the purpose of qualifying for the alternative teacher professional pay system under section 122A.414. The plan must include measures for improving school district, intermediate school district, school site, teacher, and individual student performance.

Subd. 2. **Plan components.** The educational improvement plan must be approved by the school board and have at least these elements:

- (1) assessment and evaluation tools to measure student performance and progress, including the academic literacy, oral academic language, and achievement of English learners, among other measures;
- (2) performance goals and benchmarks for improvement;
- (3) measures of student attendance and completion rates;
- (4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice applicable to all students including English learners with varied needs under section 124D.59, subdivisions 2 and 2a, and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;
- (5) measures of student, family, and community involvement and satisfaction;
- (6) a data system about students and their academic progress that provides parents and the public with understandable information;
- (7) a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and
- (8) substantial participation by the exclusive representative of the teachers in developing the plan.

Subd. 3. **School site accountability.** A district or intermediate school district that develops a plan under subdivisions 1 and 2 must ensure that each school site develops a board-approved educational improvement plan that is aligned with the district educational improvement plan under subdivision 2 and developed with the exclusive representative of the teachers. While a site plan must be consistent with the district educational improvement plan, it may establish performance goals and benchmarks that meet or exceed those of the district.

122A.414 ALTERNATIVE TEACHER PAY.

Subdivision 1. **Restructured pay system.** A restructured alternative teacher professional pay system is established under subdivision 2 to provide incentives to encourage teachers to improve their knowledge and instructional skills in order to improve student learning and for school districts, intermediate school districts, and charter schools to recruit and retain highly qualified teachers, encourage highly qualified teachers to undertake challenging assignments, and support teachers' roles in improving students' educational achievement.

Subd. 1a. **Transitional planning year.** (a) To be eligible to participate in an alternative teacher professional pay system, a school district, intermediate school district, or site, at least one school year before it expects to fully implement an alternative pay system, must:

- (1) submit to the department a letter of intent executed by the school district or intermediate school district and the exclusive representative of the teachers to complete a plan preparing for full implementation, consistent with subdivision 2, that may include, among other activities, training to evaluate teacher performance, a restructured school day to develop integrated ongoing site-based professional development activities, release time to develop an alternative pay system agreement, and teacher and staff training on using multiple data sources; and
- (2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system agreement under this section.

(b) To be eligible to participate in an alternative teacher professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:

- (1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;
- (2) submit the record of a formal vote by the teachers employed at the charter school indicating at least 70 percent of all teachers agree to implement the alternative pay system; and

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(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system.

(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, site or charter school is ready to fully implement an alternative pay system.

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or 122A.41, subdivision 5, clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, clause (10), or 122A.41, subdivision 5, clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

Subd. 2a. **Charter school applications.** For charter school applications, the board of directors of a charter school that satisfies the conditions under subdivisions 2 and 2b must submit to the commissioner an application that contains:

(1) an agreement to implement an alternative teacher professional pay system under this section;

(2) a resolution by the charter school board of directors adopting the agreement; and

(3) the record of a formal vote by the teachers employed at the charter school indicating that at least 70 percent of all teachers agree to implement the alternative teacher professional pay system, unless the charter school submits an alternative teacher professional pay system agreement under this section before the first year of operation.

Alternative compensation revenue for a qualifying charter school must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, school sites, and charter schools a standard form for applying to participate in the alternative teacher professional pay system. The commissioner annually must establish three dates as deadlines by which interested applicants must submit an application to the commissioner under this section. An interested school district, intermediate school district, school site, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district, intermediate school district, or school site, or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must review a completed application within 30 days of the most recent application deadline and recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come,

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first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

(b) If the commissioner disapproves an application, the commissioner must give the applicant timely notice of the specific reasons in detail for disapproving the application. The applicant may revise and resubmit its application and related documents to the commissioner within 30 days of receiving notice of the commissioner's disapproval and the commissioner must approve or disapprove the revised application, consistent with this subdivision. Applications that are revised and then approved are considered submitted on the date the applicant initially submitted the application.

Subd. 3. Report; continued funding. (a) Participating districts, intermediate school districts, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards. The school board or board of directors shall transmit a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, school site, or charter school to the commissioner.

(b) If the commissioner determines that a school district, intermediate school district, school site, or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply.

Subd. 4. Planning and staff development. A school district that qualifies to participate in the alternative teacher professional pay system transitional planning year under subdivision 1a may use up to two percent of basic revenue that would otherwise be reserved under section 122A.61 for complying with the planning and staff development activities under this section.

122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER PAY.

Notwithstanding section 179A.20 or other law to the contrary, a school board and the exclusive representative of the teachers may agree to reopen a collective bargaining agreement for the purpose of entering into an alternative teacher professional pay system agreement under sections 122A.413, 122A.414, and 122A.415. Negotiations for a contract reopened under this section must be limited to issues related to the alternative teacher professional pay system.

122A.415 ALTERNATIVE COMPENSATION REVENUE.

Subdivision 1. Revenue amount. (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under subdivision 4, paragraph (a).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

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(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of \$3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for fiscal year 2007. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts based on applications approved by August 1 does not expend the remaining amount under the limit.

Subd. 4. **Basic alternative teacher compensation aid.** (a) For fiscal year 2015 and later, the basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2015 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits.

Subd. 5. **Alternative teacher compensation levy.** For fiscal year 2015 and later, the alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic alternative teacher compensation aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to \$6,100.

Subd. 6. **Alternative teacher compensation equalization aid.** (a) For fiscal year 2015 and later, a district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a district does not levy the entire amount permitted, the alternative teacher compensation equalization aid must be reduced in proportion to the actual amount levied.

(b) A district's alternative teacher compensation aid equals the sum of the district's basic alternative teacher compensation aid and the district's alternative teacher compensation equalization aid.

122A.4155 ALTERNATIVE COMPENSATION RURAL DISTRICT APPLICATION ASSISTANCE.

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Subdivision 1. **Eligibility.** School districts located in greater Minnesota that submit a letter of intent and begin the transitional planning year, under section 122A.414, subdivision 1a, are eligible for alternative compensation application assistance. For the purposes of this section, an eligible school district is any school district located in the rural equity region under section 126C.10, subdivision 28.

Subd. 2. **Multidistrict technical assistance.** The department shall provide technical assistance in the form of, but not limited to, networking, training, and professional development to a rural district or groups of rural districts in developing applications for the alternative compensation program.

Subd. 3. **Model plans.** The department shall develop and disseminate alternative compensation model plans based on the unique needs and characteristics of rural districts.

Subd. 4. **Multidistrict consortia.** The department may promote the development of multidistrict consortia to optimize opportunities for rural districts to participate in and implement alternative compensation programs. A multidistrict consortium shall develop and implement a collaborative alternative compensation plan that includes the program components outlined in section 122A.414, subdivision 2. A multidistrict consortium shall provide opportunities to share best practices, professional development training and expertise, training of teacher observers, or the purchase of programmatic resources.

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.413, 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives and the Perpich Center for Arts Education are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative or the Perpich Center for Arts Education must meet all of the requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.